



*United States Attorney  
Southern District of New York*

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CONTACT: U.S. ATTORNEY'S OFFICE  
HERBERT HADAD, MEGAN GAFFNEY,  
HEATHER TASKER  
PUBLIC INFORMATION OFFICE  
(212) 637-2600

FBI  
JAMES M. MARGOLIN,  
MATTHEW BERTRON  
(212) 384-2720, 2715

NYPD  
PAUL BROWNE  
(646) 610-6700

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**U.S. INDICTS NUMEROUS GENOVESE FAMILY MEMBERS AND  
ASSOCIATES, INCLUDING AN ACTING BOSS OF THE FAMILY**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, MARK J. MARSHON, the Assistant Director in Charge of the New York Office of the FBI, and RAYMOND W. KELLY, the Commissioner of the New York City Police Department, announced today the unsealing of a wide-ranging racketeering Indictment in Manhattan federal court charging 20 individuals on charges relating to criminal activity by the Genovese Organized Crime Family, including obstruction of justice, extortion, loansharking, labor racketeering, and the operation of illegal gambling businesses.

Among the members and associates of the Genovese Family who were arrested today and charged with racketeering were MATTHEW

IANNIELLO, a/k/a "Matty the Horse," an Acting Boss of the Family, and CIRO PERRONE, a capo in the Family who supervised IANNIELLO's former crew. The other Genovese Family members and associates arrested today on racketeering charges were: JOHN YANNUCCI, an associate of the Genovese Family, SALVATORE ESPOSITO, a/k/a "Zookie," a soldier in the Genovese Family, MICHAEL DELUCA, an associate and proposed member of the Genovese Family, STEVE BUSCEMI, an associate of the Genovese Family, LEONARD CHETTI, an associate of the Genovese Family, and JULIUS BERNSTEIN, a/k/a "Spike," an associate of the Genovese Family and an official at Local 1181 of the Amalgamated Transit Union, according to the Indictment. In addition, 13 other individuals were charged with various offenses related to the criminal activities of the Genovese Family, including two other officials of Local 1181, ANN CHIAROVANO and SALVATORE BATTAGLIA. The attached chart details the charges and maximum sentences faced by each defendant.

#### Background

According to the Indictment, IANNIELLO was elevated from his position as capo in the Genovese Family to serve as one of the Acting Bosses of the Family after the indictment and subsequent imprisonment of VINCENT "The Chin" GIGANTE, the long-time Boss of the Family. IANNIELLO was one of several high-ranking members of the Genovese Family to serve as Acting Boss of the Family following GIGANTE's incarceration. Upon IANNIELLO's ascension to the

Family's leadership, PERRONE became a capo and took over IANNIELLO's crew, which was comprised of numerous soldiers (or members of the Family) and associates, it was charged. Among the crew's alleged criminal activities were labor racketeering, extortion, a large-scale loansharking operation, and the operation of illegal gambling businesses.

Labor Racketeering, Extortion, and Obstruction of Justice

The Indictment alleges that the Genovese Family infiltrated and influenced the activities of Local 1181 of the Amalgamated Transit Union and its Pension and Welfare Fund (collectively, "Local 1181"). One of the alleged criminal schemes executed by the Family was the extortion of a medical center that rented office space from Local 1181. According to the Indictment, in or about 1997, with IANNIELLO's backing and the assistance of MAURICE NAPOLI, BERNSTEIN demanded and collected \$100,000 in cash to renew the medical center's lease. In addition, from in or about 1997 through the present, it is alleged that, again with IANNIELLO's backing and with NAPOLI's assistance, BERNSTEIN extorted regular cash payments from the medical center.

When a federal grand jury began investigating the Genovese Family's involvement in the affairs of Local 1181, several defendants allegedly worked together to obstruct the investigation. Following the issuance of several grand jury subpoenas, members and

associates of the Genovese Family, including IANNIELLO, PERRONE, JOHN YANNUCCI, ESPOSITO, and DANIEL CILENTI, and officials of Local 1181, namely, BERNSTEIN, CHIAROVANO, and BATTAGLIA, allegedly communicated with each other to ensure that federal authorities did not discover their joint criminal activity. For example, at one point, before a meeting with federal investigators, BERNSTEIN allegedly assured PERRONE that he would not become a "rat." In furtherance of this conspiracy to obstruct justice, BERNSTEIN and CHIAROVANO made numerous false statements in separate interviews with federal investigators, it was charged.

#### Loansharking

The Indictment further alleges that from at least in or about 2000 through the present, PERRONE, on behalf of the Genovese Family, oversaw a large-scale loansharking operation in which the following defendants also participated: JOHN YANNUCCI, BUSCEMI, DELUCA, CHETTI, FRANK AMBROSIO, a/k/a "Twinny," JOHN VITALE, PAUL KAHL, JOHN AMBROSIO, and JOSEPH YANNUCCI, a/k/a "Augie." The Indictment charges that, as part of this loansharking operation, the defendants made loans at extortionate rates of interest and participated in the use or threatened use of force to collect repayment on those loans.

#### Operation of Illegal Gambling Businesses

The Indictment further alleges that PERRONE, JOHN YANNUCCI, ESPOSITO, JOSEPH QUARANTA, JOSEPH PICATAGGIO, and JOSEPH YANNUCCI, a/k/a "Augie," operated illegal gambling businesses, including a large-scale card game that violated New York state law, for the Genovese Family from in or about late 2004 through the present.

All defendants are scheduled to appear this afternoon before United States Magistrate Judge DOUGLAS F. EATON in Manhattan federal court. The case has been assigned to United States District Judge KIMBA M. WOOD for further proceedings.

Mr. KELLEY praised the efforts of the Federal Bureau of Investigation and the New York City Police Department for their assistance in the investigation.

Assistant United States Attorneys TIMOTHY J. TREANOR, STEPHEN A. MILLER, and CHRISTINA BISCHOFF are in charge of this prosecution.

The charges in the Indictment are merely accusations, and the defendants are presumed innocent unless and until proven guilty.

**United States v. Matthew Ianniello, et al.**

**SUMMARY OF CHARGES**

<b>Defendant</b>	<b>No. of Counts</b>	<b>Charges</b>	<b>Maximum Sentence</b>
Matthew Ianniello	8	<i>Count One—RICO</i> <i>Count Two—RICO Conspiracy</i> <i>Count Three—Conspiracy to Obstruct Justice</i> <i>Count Four—Obstruction of Justice</i> <i>Count Seven—Consp. to Commit Extortion</i> <i>Count Eight—Extortion</i> <i>Count Nine—Consp. to Influence Union Official</i> <i>Count Ten—Influencing Union Official</i>	128 yrs.
Ciro Perrone	8	<i>Count One—RICO</i> <i>Count Two—RICO Conspiracy</i> <i>Count Three—Conspiracy to Obstruct Justice</i> <i>Count Four—Obstruction of Justice</i> <i>Count Twelve—Conspiracy/Illegal Gambling</i> <i>Count Thirteen—Loansharking consp. (§892)</i> <i>Count Fourteen—Loansharking consp. (§894)</i>	125 yrs.

**SUMMARY OF CHARGES**

John Yannucci	7	<i>Count One—RICO</i> <i>Count Two—RICO Conspiracy</i> <i>Count Three—Conspiracy to Obstruct Justice</i> <i>Count Four—Obstruction of Justice</i> <i>Count Twelve—Conspiracy/Illegal Gambling</i> <i>Count Thirteen—Loansharking consp. (§892)</i> <i>Count Fourteen—Loansharking consp. (§894)</i>	125 yrs.
Salvatore Esposito	5	<i>Count One—RICO</i> <i>Count Two—RICO Conspiracy</i> <i>Count Three—Conspiracy to Obstruct Justice</i> <i>Count Four—Obstruction of Justice</i> <i>Count Twelve—Conspiracy/Illegal Gambling</i>	85 yrs.
Steve Buscemi	4	<i>Count One—RICO</i> <i>Count Two—RICO Conspiracy</i> <i>Count Thirteen—Loansharking consp. (§892)</i> <i>Count Fourteen—Loansharking consp. (§894)</i>	80 yrs.
Michael Deluca	4	<i>Count One—RICO</i> <i>Count Two—RICO Conspiracy</i> <i>Count Thirteen—Loansharking consp. (§892)</i> <i>Count Fourteen—Loansharking consp. (§894)</i>	80 yrs.

**SUMMARY OF CHARGES**

Leonard Chetti	4	<i>Count One—RICO</i> <i>Count Two—RICO Conspiracy</i> <i>Count Thirteen—Loansharking consp. (§892)</i> <i>Count Fourteen—Loansharking consp. (§894)</i>	60 yrs.
Julius Bernstein	9	<i>Count One—RICO</i> <i>Count Two—RICO Conspiracy</i> <i>Count Three—Conspiracy to Obstruct Justice</i> <i>Count Four—Obstruction of Justice</i> <i>Count Six—False Statements</i> <i>Count Seven—Consp. to Commit Extortion</i> <i>Count Eight—Extortion</i> <i>Count Nine—Labor Racketeering Conspiracy</i> <i>Count Ten—Labor Racketeering</i>	133 yrs.
Ann Chiarovano	3	<i>Count Three—Conspiracy to Obstruct Justice</i> <i>Count Four—Obstruction of Justice</i> <i>Count Five—False Statements</i>	45 yrs.
Salvatore Battaglia	2	<i>Count Three—Conspiracy to Obstruct Justice</i> <i>Count Four—Obstruction of Justice</i>	40 yrs.
Daniel Cilenti	2	<i>Count Three—Conspiracy to Obstruct Justice</i> <i>Count Four—Obstruction of Justice</i>	40 yrs.



**SUMMARY OF CHARGES**

Maurice Napoli	5	<i>Count Seven—Conspiracy to Commit Extortion</i> <i>Count Eight—Extortion</i> <i>Count Nine—Consp. to Influence Union Official</i> <i>Count Ten—Influencing Union Official</i> <i>Count Eleven—False Statements</i>	53 yrs.
Joseph Quaranta	1	<i>Count Twelve—Conspiracy/Illegal Gambling</i>	5 yrs.
Joseph Picataggio	1	<i>Count Twelve—Conspiracy/Illegal Gambling</i>	5 yrs.
Joseph Yannucci	3	<i>Count Twelve—Conspiracy/Illegal Gambling</i> <i>Count Thirteen—Loansharking consp. (§892)</i> <i>Count Fourteen—Loansharking consp. (§894)</i>	45 yrs.
Ralph Scopo, Jr.	2	<i>Count Thirteen—Loansharking consp. (§892)</i> <i>Count Fourteen—Loansharking consp. (§894)</i>	40 yrs.
Frank Ambrosio	2	<i>Count Thirteen—Loansharking consp. (§892)</i> <i>Count Fourteen—Loansharking consp. (§894)</i>	40 yrs.
John Vitale	2	<i>Count Thirteen—Loansharking consp. (§892)</i> <i>Count Fourteen—Loansharking consp. (§894)</i>	40 yrs.
Paul Kahl	2	<i>Count Thirteen—Loansharking consp. (§892)</i> <i>Count Fourteen—Loansharking consp. (§894)</i>	40 yrs.
John Ambrosio	2	<i>Count Thirteen—Loansharking consp. (§892)</i> <i>Count Fourteen—Loansharking consp. (§894)</i>	40 yrs.